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October 6, 2008

**Via Electronic Filing**

Marlene H. Dortch, Secretary  
Federal Communications Commission  
Office of the Secretary  
445 12th Street, SW  
Washington, DC 20554

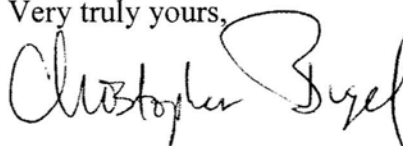
**Re: Notice of Ex Parte Presentation, CC Docket No. 02-6**

Dear Madam Secretary:

On October 1, 2008, Sean McGuinness and the undersigned, both of this firm, accompanied Andrew Schlessinger (Founder and CEO of Library Video Company) to a meeting with James A. Bachtell, Mark Nadel and Gina Spade with the Wireline Competition Bureau of the Federal Communications Commission.

The purpose of this meeting was to expand on Library Video Company's comments to the proposed FY2009 E-Rate Eligible Services List, filed on August 14, 2008. During the course of our meeting, FCC staff members requested additional information regarding whether the Schools and Libraries Program currently provides E-Rate funding for servers. To assist the committee on this question, an overview of the current eligibility of servers (as set forth in Attachment A hereto) was submitted via electronic mail to James Bachtell on October 2, 2008.

Very truly yours,

A handwritten signature in black ink, appearing to read "Christopher Bugel". The signature is fluid and cursive, with the first name "Christopher" written in a larger, more prominent script than the last name "Bugel".

Christopher Bugel

## Attachment A

James,

We would like to thank the FCC for meeting with Library Video Company yesterday and allowing LVC to clarify and explain its comments to the FCC's proposed changes to the Eligible Services List. During the meeting, a question was raised about whether the Schools and Libraries Program currently provides E-Rate funding for servers. To assist the committee on this question, we have prepared the overview of the current eligibility of servers, in general.

The FCC rules make clear that only certain products and services, used in certain ways, are eligible for Schools and Libraries Program support. Eligibility is based on criteria established by statute and the Federal Communications Commission (FCC). FCC rules provide that funds will be available for internal connections, which consist of the wiring and components that expand data access within a school or library such as to individual classrooms within a school. The FCC has explained that components will be eligible for funding if they serve as a conduit for the transmission of information, not just as a storage device.

The Eligible Services List identifies those products and services that can receive funding and the acceptable uses for those products and services. The ESL implements the FCC's regulations by stating that an eligible server must serve as a conduit for information rather than as a source for content. The ESL explicitly states that servers can be eligible or not eligible, depending on how they are used. Therefore, the SLD would deny funding for file servers that are used principally to supplement storage requirements of personal computers on a network, but the SLD would provide funding for servers that facilitate Internet access by maintaining a database of Internet addresses (i.e., serve as a Domain Name Service).

The ESL states that the following uses of servers are **eligible** for E-Rate funding:

- Dynamic Host Configuration Protocol (DHCP)
- Domain Name Service (DNS)
- E-mail
- Firewall or Proxy Server

The ESL also states that the following uses of servers are eligible only in **certain cases**:

- Remote Access Components— This is eligible if steps are taken to ensure that remote access is limited to connections from eligible locations. Remote access cannot be provided to homes or other non-school or non-library sites.
- Terminal Server— Eligible to the extent that the use meets the other eligible server types indicated in this section but not eligible as a source for ineligible software applications or other ineligible uses.

- Web Server— Eligible if used to provide content to users of the Internet but not eligible as a source for software applications, database functions, or storage of end-user files.
- One monitor per eligible server or other eligible component requiring a visual display is eligible for discount. However, special-purpose devices, such as large screen monitors, are not eligible.

Again, we appreciate the opportunity to discuss this matter with you. We hope that the FCC will decide to leave the ESL as is and not remove video on demand servers from the list of eligible products. If E-Rate funds continue to be available for VOD servers, LVC will be able to continue to provide award-winning solutions for all schools and school districts throughout the nation. Please do not hesitate to contact me with any questions at the information below.

Regards,

Andrew Schlessinger

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